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Remarks to Harman International Industries Employees in Northridge, California

March 8, 1996

Thank you very much. If you have a seat, please take it. Thank you very much, Bertha. She said that she was nervous before she spoke, but I think she did a terrific job, don't you? When she told me that she'd been here 30 years, I thought that the company must have violated the child labor laws when she was hired. [*Laughter*] But I'll take her word for it.

I want to thank Dr. Sidney Harman for that fine statement that he made. And I thank Sidney and Congresswoman Jane Harman for riding out with me this morning. We did come out on Air Force One; we did talk for an hour. Actually, what we did for an hour was I listened to him rave about you. That's what he talked about. He talked about how great you were, how creative you were, how you had proved his faith in the United States and in California and in the proposition that people from all different walks of life could work together in a common enterprise. And you would have been very proud if you had heard him talk about you this morning in the privacy of our conversation.

I want to thank the State and local officials who are here today, and most of all, I want to thank you for giving me a chance to share some time with you. When I was Governor for 12 years before I moved to Washington, I spent, I suppose, more hours in factories and schools than anything else I did. I think I visited at least an average of a factory a week in the 12 years I was Governor. And I went through the terrible, difficult times of the 1980's for manufacturing in America and I watched it come back. So my attention has been riveted on the whole question of how people produce and when in America for a very long time now.

I'm honored to be back in Northridge. I was here, of course, shortly after the earthquake devastated you 2 years ago, and I was struck by the spirit and the determination of the people here; even more remarkably, by the way the community pulled together to rebuild. And I can't help but acknowledging another thing that Dr. Harman told me this morning, which was that you were back up and running here about 3 days after the earthquake because all the employees came back in and cleaned it up and moved it forward. And that is a truly astonishing accomplishment. And I want to compliment you on that as well. You should be very proud of that.

I'm also glad that the National Government was here, quickly, to be of help in the earthquake—the Emergency Management Agency, the Small Business Administration, the Housing and Urban Development Department, the Transportation Department. We were doing what I think Americans do best; we were working together.

If I can tell you on the front end, the one point I want to make today is that whether it's in an earthquake, after another natural disaster, or working day to day in a facility like this one, that's how we have to meet the challenges that we face today as a people. We are going to meet them by working together if we're going to succeed.

We have to prove in the United States that it doesn't matter what your racial or ethnic or religious background, where you come from or even what you start with, if you start with nothing; that if we all work together with the goal of making sure every single person in this country has a chance to live the American dream, that everybody has a chance to be treated in a fair and equal way, and that we can work and raise good families and have successful children and have strong communities—the only way we can do that is if we're committed to working together. In this time of great transition, teamwork, a respect for

one another, and a commitment to seeing everybody succeed is more important than it has ever been in your lifetime. And that is my commitment to you. Our whole country needs to work together every day the way you work together here every single day.

Four years ago when I sought the job that the American people were good enough to give me, I made a commitment. I said that I was convinced that if we would work together to get this economy going again, and if we in Washington could do our part by bringing the deficit down and getting interest rates down, by investing in our people and education and training, by investing in new technologies and helping places like California to convert from a defense-based economy to a more diversified economy in the wake of the end of the cold war, if we open new markets based on trade that was fair and free, that our economy would respond and create 8 million jobs in 4 years. It is a tribute to the hard work and the ingenuity of the American people and to our uncommon partnership that we announced officially today that the United States economy has created 8.4 million jobs in 3 years. And I am very proud of that.

And let me put that in some sort of perspective for you. I hear people say all the time that, well, even if we create new jobs they're not very good jobs. That's just not true. These 8.4 million jobs represent more new jobs than were created in all of Europe and Japan combined. And increasingly, they are in higher wage industries. By the end of December, our economy had created 7.7 million new jobs; 3.3 million of them were higher wage jobs. Four years ago only 20 percent of our new jobs were in high-wage jobs. In 1995, well over half of the new jobs created in our economy were higher wage paying jobs. We can create good jobs for the American people if we work together.

I am very glad to be here today to make this announcement for three reasons. First of all, I have enormous respect for Dr. Harman and for Congresswoman Jane Harman. They have the sort of partnership that is much admired in the Clinton household by not only the President but by the First Lady. We admire the way Sidney has combined a commitment to innovative ideas and being at the cutting edge of new products with a commitment to the success of all of you, the people who work for Harman, and your families and this community.

And I very much admire the work that Congresswoman Jane Harman has done in the United States Congress. She is, I think, the best of a new breed of political leaders who want to see our country go beyond the old division of stale, partisan political debates to find creative ways for Government to work with you to create better jobs and brighter futures for all Americans. If every person in the Congress had the same sort of practical yet idealistic approach that she does, willing to discard all the kind of hot air that we hear too much of in Washington, this country would be in better shape today. And I thank her for her service as well. Thank you.

But the most important reason I wanted to come here, even though I can't afford a Jaguar to get one of those fancy speakers you make that go in them—[*laughter*]—is because I respect what you are doing. I respect all of you who work here in all your various roles because you have proved that by working together as a team, you can create the world's best stereo and electronic equipment, and you can help to move our country forward while you make your own lives better.

I'd like to talk just a minute today about the nature of all these changes that are transforming our economy and what we can do to make all Americans winners in this period of change; about what Government can do and about what people like you must do, employers and employees alike, to move our country forward.

Harman International shows how a cutting-edge company can do well while doing right by its people. That's why I wanted Bertha to talk today as well. A company that believes employees are the most important asset; a company that, when layoffs are necessary, workers are given a chance to find other work within the company. Workers are fully trained to keep up with new skills. And this is one I especially like: Senior executives work the production line 18 days a year so they'll know what the rest of you are experiencing.

While others may have downsized and even moved away from our country and taken the jobs with them, Harman has stayed true to Northridge. And their new factory within a factory that we—I've heard about for the first time today is a true testament to a commitment to community and to the bond that should exist in every workplace in America between employers and employees. It shows how the transforming power of technology can create new opportunity. So many Americans are threatened by the technological changes that are going on today, but believe me, if we do the right things we will generate far more jobs from technology than we will ever lose because of it. And you are proving that as well.

When you make audio equipment for computers that rivals the sound quality of a stereo, you're making the promise of the information superhighway real. With better products and more productivity, more jobs and good profits, Harman shows us that our leading edge toward the 21st century is the people of the American work force, and that if we work together we can boost our competitiveness, push ever upward the American standard for excellence, and also open the American dream to every single person who is willing to work for it. That is your commitment; that is my commitment. That must be America's commitment.

Now, all of you know from your own experience that this extraordinary period of change is transforming the way we work and the way we live. I watched it in your assembly lines, the couple you left open for me today while the rest of you were here. I have now been in American factories for nearly 30 years, looking at them, learning how people work, seeing how people work together. There's a lot more mind and a lot less muscle in manufacturing work than there used to be. The information revolution has made it possible for there to be far fewer layers of bureaucracies in most thriving companies than there used to be.

We are changing the way we work. We are changing the way we structure the workplace. And the information revolution has also made possible global markets for information, for money, for products, and for services. That means things are changing very rapidly, and change brings good things, but it is also always, always disruptive. And there are a lot of Americans whose lives have been disrupted by this time of change. Many of them feel that they've been uprooted, and they wonder, even though they have carried their traditional values of hard work and family close to their heart, they wonder if they're going to be left behind.

We have to deal with that challenge. But it's important how we deal with that challenge. I submit to you the way to deal with it is to build on what works, on models like Harman International, on the economic policy we have implemented. We cannot turn back to try to recover a past that is not there anymore. We have to keep going into the future until every single person has a chance to work in a workplace where everyone is winning. That is the way to a better future.

Let me say to all of you, we have been through a period of change like this not very often. But we have done it before. The last time the American economy changed as much as it's changing now was about 100 years ago when we moved from the farm to the factory. A hundred years ago, most people were living in rural areas; they moved to towns and cities. Most people were working on farms or in jobs that depended on farmers; then they began to work in factories or in jobs that depended on factories.

When that happened, there was a great deal of ferment and change. Millions of new immigrants came to America. Many, many people did better than they had ever done before. But for a period of years, there was a great uprooting and a lot of people didn't do so well, either, as they were displaced. But because we kept pushing through and pushing ahead and learning new ways to work together, to do the right thing by people as well as to do well economically, to push profits and productivity and fairness; because we did that, we created in the 20th century a nation with the greatest period of unparalleled prosperity ever known, a nation with the greatest middle class ever created, a nation with the greatest dreams for children ever forged. That is what we have to do today.

When I took office, we put in place a comprehensive strategy to try to create a modern

economy. We didn't want to deny change and try to hold back for a past we couldn't recover. Neither did we want to say, well, we ought to just let whatever is going to happen, happen, and let whatever happens to people happen.

I knew that we couldn't go back to the time when all Americans were told, you've got to fend for yourself. So we put in a strategy, first, to cut the deficit and get the interest rates down; second, to invest in education and training for people; third, to open new markets—to have free trade, yes, but also fair trade to enable Americans to sell their products all over the world as you do, and to invest in the new technologies of the future in partnership with the private sector.

It has worked. We cut the deficit in half. Exports are at an all-time high. Homeownership is at a 15-year high. We've had 3 years of record formations of new businesses in each of the last 3 years. And we did it while shrinking the size of the Federal Government to its smallest size in 30 years. And it is working. This strategy is working.

Just think about where we were 4 years ago. Our economy was drifting. Now we've had 8.4 million jobs in 3 years and 1 month. We have the lowest combined rates of unemployment, inflation, and home mortgage rates in 27 years. Four years ago construction and auto industries were flat on their backs. Today, we've had about 700,000 new jobs in America in construction, and the automobile industry, for the first time in many years, is selling more cars than Japan. I am proud of that and you should be, too.

It is true that in many large companies there has been substantial downsizing. But it is also true that in the areas of new opportunity, millions of new jobs are being created. Just a few days ago I signed the telecommunications bill into law which will create vast new opportunities for Americans and American companies to increase information, education, and entertainment. And the last economic analysis I showed estimated that that bill alone, with the energies of the American telecommunications sector, would create 3½ million new jobs over the next few years. That is what we should be doing more of.

Four years ago, California had lost about 170,000 jobs. Today California businesses in the last 3 years have created almost a half a million new jobs. Business failures are down; new businesses are up. Industries like aerospace and entertainment and computers are leading the world with new markets, new production, new products, helping to overcome the terrible burden that California bore because of a good thing that happened: The cold war ended. And we were able to downsize our national defense, but it caused great economic dislocation here. By emphasizing the resources, the strength, the people of the State of California and focusing on the opportunities of the future, the turnaround has begun and it will get better.

As I said, you can say all you want about how Government is the problem. I accept the fact that in times past Government has been a problem. We have shrunk the Government to its smallest size in 30 years. But we dare not go back to a time when people were left to fend for themselves. It is the Government that helps to open those markets. It is the Government that helps to invest in people and help working families send their children to college. It is the Government that helps provide opportunities like Head Start for families that need help getting their kids off to a good start in life. I am proud of those things.

As I said in my State of the Union Address, I think there are seven big challenges we have to meet now if we're going to fulfill our mission, if all Americans are going to have a chance to have the American dream, if we're going to be able to raise strong families in good communities with good values, if we're going to continue to lead the world.

We have to do more to strengthen our families and give all of our children a decent childhood. We have to do more to improve our schools and open the doors of college education to all Americans. We have to do more to give working families the security they need with health care and pensions and training that they can have even if they have to change jobs. We have to do more to fight crime and drugs and gangs so that violence will become the exception rather than the rule. I'd like to live in an America again when people are surprised when they turn on the

evening news and there's been an act of violence as the lead story.

We have to do more to preserve our environment and to convince ourselves—all of us—that we can preserve the environment and grow the economy. I have to tell you that one of the side benefits of what you do with your Olé program in using your extra materials to build those clocks is that you're using something for a productive purpose that doesn't just go to a scrap heap. And I appreciate that. That also is contributing to the environment while growing the economy and helping people deal with the problems of economic change.

The Congress has more to do, and I challenge the Congress to pass another growth budget for the next 60 days to keep this economy going. We ought to finish the job. We've cut the deficit in half; we ought to go on and pass a balanced budget plan. But it should be the right kind of plan. We can eliminate this deficit without devastating cuts in Medicare and Medicaid, without undermining our obligation to you to invest in education, in research, and environmental protection. That's what I want to do.

There are millions of good Americans out there who aren't as fortunate as you are to have a job here; millions of them trying to raise children on the minimum wage. If we don't raise the minimum wage this year, it will fall to a 40-year low in terms of what it will buy within a year. We ought to raise the minimum wage. You can't raise a family on $4.25 an hour.

And there is a bill in Congress now called the Kennedy-Kassebaum bill which would give American workers and their families an important protection; it says that you don't lose your health insurance just because you change jobs or somebody in your family gets sick. That bill ought to pass, and it ought to pass immediately. It's an important part of dealing with the change.

There is more that we ought to do. I have asked the Congress to collapse about 70 different education and training programs that unemployed Americans have to figure out how they fit into, or some State and local official has to figure out how they fit into, if they lose a job. I'd like to see all those programs collapse into a big pile of money, and when somebody loses their job, I think they ought to get a voucher from the Government worth $2,600 a year that they can take to the nearest community college or other training institution to get the training they need—a "GI bill" for America's workers. I believe it's an important thing.

And there's a lot of talk about tax cuts in Washington. Three years ago, we cut taxes on the lowest income working families through a doubling of what's called the earned-income tax credit. This year, every family in America with children with an income of under $28,000 will have a considerably lower income tax burden than they would have had if we hadn't changed the law back in 1993.

There are other things that I'd like to see done. I think we ought to give some relief to families with children. But the most important tax cut we could give is the one that I have proposed to give families a tax deduction for up to $10,000 of the cost of college tuition and other education after high school. That would really help working families.

There are some other things that the Government ought to do in partnership with businesses and schools. One of the most important thing we have done—things we've done since I became President involved an act called the School-to-Work Act, signed in 1994, to help to create a national network of programs that would give young people who don't go on to 4-year colleges the opportunity to get work experience and learning experience at the same time, to abolish what I think is an artificial distinction between what is vocational learning on the job and what is academic learning. What a lot of you are doing looked pretty academic to me, at least; I don't believe I could do it without a lot of training.

Businesses work with schools and community colleges and universities and technical schools to design courses while they open their workplaces and provide on-the-job training. This has helped us over the past year and a half to generate activity involving 42,000 employers and 116,000 young people in learning new skills in 42 of our 50 States. And today, the Departments of Education and Labor announced another 37 communities, including 7 here in California, will

be receiving more school-to-work investments to enable them to train more young people so they can move from school into a job with the prospect of a growing income and a brighter future instead of into a job that they may not be able to hold or may never get a raise in. That is the sort of partnerships that I think we need more of.

Our strategy has been to enable the private sector to generate this growth. Keep in mind, these 8.4 million new jobs have come into our economy at a time when we have reduced the size of the Federal Government by more than 200,000.

We are trying to work with you to help generate jobs here in the private sector in places like Harman International. We know that means that business has an even more important role in the future in terms of what your life is like, in terms of whether you have security in return for your work, in terms of whether you have a chance to go on and find other opportunities if something happens in the market and it goes bad. And this is a difficult time for business because people who run businesses face enormous new challenges. If they have to compete for investment money, they know that money can be put anywhere in the world in a split second with a wire transfer. They know that technology can be put anywhere in the world. And that means that they're under more and more pressure always to be changing the nature of the products, always to be upgrading the quality of the products, always trying to produce more with fewer inputs of cost, whether it's labor or technology.

Sidney told me on the way out here today that the labor cost in your products are only about a third of what they were just a few years ago because you're all so much more productive because you're using more machinery, because you're working in more efficient ways.

These new pressures put great challenges before the business leaders of our country to be not only productive and profitable, to be good citizens not only for their shareholders or their investors, but also for their customers and their employees and their families, their communities, and the natural environment.

Since I became President I've tried to go around from time to time to places like this to celebrate companies that are both profitable and competitive on the one hand, and good citizens on the other. And I've tried to do things that would support policies that would help our companies to do a good job. It is especially important when changes in the economy bring instability and uncertainty that we lift up the companies that are trying to help people deal with it.

Now, consider this: Since most parents work, one of the most important things is to help people succeed at home and at work. And all of you—I bet every working parent out there has felt some tension at some time in your life when your children were sick or there were problems at school or something else happened. The great challenge of our society—there is no more important work than raising children. That is still every parent's most important job. So unless we can find ways for people to succeed as parents and in the workplace, the country can't be as strong as it ought to be.

A lot of businesses are trying to accommodate this by things like flexible work hours or child care centers at or near the places of business. The family and medical leave law, the very first law I signed as President of the United States, helped about 300,000 California workers take a little time off from work for a sick child or a sick parent or when a baby was born without losing their jobs. That's a very important thing as well.

Health care benefits and retirement benefits are important. Training is important. Education is important. One of the things I've been so impressed about is the training programs that you have here. You know, in a lot of our military activities now, we regularly give annual training programs to all the people involved in them because the needs are changing and also because we want those people to be able to succeed even after they leave uniform. That is terribly important.

The other thing that I think is very important is to find the best possible way for companies to share the good times as well as the bad times. And that is something that I think you have done a remarkable job of. I am so impressed by the way programs like—well, like this Olé program of yours works—to

have the opportunity when the market goes down for the product you're producing to be called back to find innovative ways not only to produce, but I understand some of you have even worked as salespeople selling your own products, trying to find ways to keep people busy so that you can not only maintain benefits but a livelihood. That is walking the extra mile, but that's a good thing to do.

People are the most important, the most important, element in a production process today. The technology can be anywhere. We could pack all this technology up today and fly it to some other country. The people and how they work together and whether they feel good on the job and whether they feel a loyalty to the enterprise and whether they think everybody is being treated fairly, that is the secret of America's future success. You are the secret of America's future success. And what this company has done is what every company should strive to do within the limits of their capacity because if we don't treat our people right and they don't feel good about the work enterprise—or to use Dr. Harman's words, the old employer bargain used to be less for less. When the industrial revolution first started, people got paid as little as the employer could get away with paying them, and the workers did as little as they could get away with doing without getting fired. He says what you're trying to get is a more for more bargain. You get paid as much as they can afford to pay you and you're expected to do as much as you can possibly do, and even in the down times, there is the other enterprise, a sort of factory within a factory. That is a remarkable thing.

And I hope by coming here today and by having people learn about what you're doing, that all over America, people will ask themselves, ''I wonder if I could do something like that. I wonder if that would help increase the security my workers feel. I wonder if that would strengthen the families of the people that work here. I wonder if that wouldn't improve our long-term productivity. Wouldn't it be nice if I could find a way to keep all my workers, year-in and year-out, even in the down times.''

It's just one solution, but it's a solution that deserves to be considered all across America. And just by your being here and by my being able to tell your story today, you may be helping to save not only a lot of jobs in the future and other parts of America, but also the vitality and the productivity and the profitability of other American companies. We have to learn from each other and we could all learn a lot from you, and I thank you for that.

So that's the point I want to make. This economy has a lot of possibility. I believe that your children will grow up in the period of greatest possibility any generation of Americans has ever known. There will be more opportunities for young boys and girls as they grow up to live out their dreams than ever before. I believe technology will prove to be a great equalizer, giving people across racial and ethnic divides, giving children who grew up in poor households as well as those who grow up in middle class and wealthy households the opportunity to learn and grow and do things they could never have otherwise done.

But all this will happen only if we find ways to work together. The Government has a role to play, but the jobs are being created in the private sector. We can create the environment; we can create the incentives; we can try to deal with the places which don't have any real improvement yet—that's what we tried to do when we gave to Los Angeles the $400 million to set up a development bank to make investments in the neighborhoods there where there are no new jobs. We can do extra things like that. But in the end, whether the businesses work, employers and employees working together, family friendly workplaces, health care, pensions, training, sharing the burdens and the benefits of the year-to-year ups and downs of the company, keeping the workplace safe and hearing the workers' voices as well; all of these things which you have done here are things we need more of in every American workplace.

And if we do this, then we will create the kind of opportunities millions of Americans are now enjoying for every American willing to work for it. That is the answer: to work together and forge into the future; not to try to turn back, or not to say to people, you're on your own, I hope you do well. It's to work together, join together, and move into the future together. Your success is the model

for America's success, and I am determined to see that we follow it.

Thank you, and God bless you all.

NOTE: The President spoke at 12:28 p.m. on the factory floor. In his remarks, he referred to Bertha Torres, employee, and Sidney Harman, chief executive officer, Harman International Industries. This item was not received in time for publication in the appropriate issue.

Remarks on NetDay in Concord, California

March 9, 1996

Thank you so very much. I want to say again how much I appreciate the wonderful welcome we have received here today. I thank your principal, Sheila Walker; Superintendent Allen; your fine Superintendent of Public Instruction Delaine Eastin; and Lieutenant Governor Davis; my good friend Senator Boxer; and Representative Miller. I want to say again what a good job I thought—I want to join the Vice President—I thought Brian DeGrassi did a good job up here. We didn't even need to speak after he talked.

I want to thank John Gage and Michael Kaufman for originating the idea of NetDay. The country will long be in their debt. They have come up with something truly remarkable. And I want to thank the Merrills and all the wonderful volunteers here. And because of my own past I don't want to leave here without acknowledging your award-winning band and flag team. I thank them for being here as well. Thank you very much.

And I want to thank Vice President Al Gore, who 20 years ago, 20 years ago coined the term information superhighway and is now helping every American child to become a part of it. I thank you for that.

The Vice President and I have looked forward to coming back for this day ever since last September when we came to California and met with leaders of the communications industry. That day we challenged Californians to connect at least 20 percent of your schools to the information superhighway by the end of this school year. You didn't fret about it; you're simply doing it.

Think about it. On this day, March 9th, 20,000 of your fellow citizens are meeting this challenge. I am honored to be here with you.

Today one out of five California schools will be wired to the future. Within 4 years every school in the State will be wired to the future. We are putting the future at the fingertips of your children, and we are doing it together in the best American tradition.

We are living through a moment of absolutely astonishing transformation; a moment of great possibility. All of you know that the information and technology explosion will offer to you and to the young people of the future more opportunities and challenges than any generation of Americans has ever seen.

Our country is changing just as profoundly as it did when we moved from farm to factory, from the country to the cities and towns 100 years ago. The microchip and the global marketplace are opening up undreamed-of prospects but real challenges. If we want to keep the American dream alive for every single person who is willing to work for it, we know that more than ever before we have to give all Americans the skills, the education they need to be winners in this time of change. We must not send our children into a 21st century unprepared for the world they will inhabit and the jobs they will have to fill.

All of us are here today because we know purely and simply, that every single child must have access to a computer, must understand it, must have access to good software and good teachers and yes, to the Internet, so that every person will have the opportunity to make the most of his or her own life.

I have spent a great deal of the last 3 years trying to open up educational opportunity and help educators and parents raise educational standards in America. There is more that we must do. Of course we need high standards and high expectations. Of course we should open the doors of college education to every single American who needs to go.

That's what the new student loan program is about, which cuts costs and makes repayments easier. That's what the national service program is about, promoting this kind of community service in return for funds to go to college. That's why I believe the most im-